

SUMMARY

STATEMENT OF JAMES L. DUNBAR

February 11, 1997

I. History of the Armored Car reciprocity Act

The legislation was enacted following hearings in March, 1993 before the Commerce Subcommittee. The testimony demonstrated that armored cars carry large cargoes in interstate commerce, often to destinations in multiple states. Due to the high value of the cargo, it is essential that shipments be made by armed crew members. State laws required crew members to obtain weapons permits in each state through which they passed, which was virtually impossible.

PL 103-55 permits crew members to carry a weapon while safeguarding valuables in interstate commerce so long as they have a valid weapons permit issued by their home state, and that state requires training and conducts criminal background checks.

II. Need for legislation

Because some states require that armored car crew members have both a weapons license and also a private security officer's license, it is not clear to some regulators that PL 103-55 supersedes those state laws. Second, state regulators often issue permits on a two year cycle and require certification of training upon renewal. The current law's requirement for annual reporting of training places an undue burden on states.

III. Remedy

HR 624 would make clear that an armored car crew member who has a weapons license and has met all other requirements in his or her home state for armored car crew members may act as armored car crew members in any state.

STATEMENT OF

James L. Dunbar

on behalf of the

National Armored Car Association

before the

U.S. House of Representatives

COMMITTEE ON COMMERCE

SUBCOMMITTEE ON

TELECOMMUNICATIONS, TRADE & CONSUMER PROTECTION

Regarding

The Armored Car Industry Reciprocity Amendments of 1997

February 11, 1997

GOOD MORNING, MR. CHAIRMAN AND MEMBERS OF THE COMMITTEE. MY NAME IS JAMES L. DUNBAR, AND I AM CHAIRMAN AND CEO OF THE DUNBAR COMPANIES. AMONG THOSE COMPANIES IS DUNBAR ARMORED, INC... THE THIRD LARGEST ARMORED CAR COMPANY IN THE UNITED STATES. I AM ALSO THE IMMEDIATE PAST PRESIDENT OF THE NATIONAL ARMORED CAR ASSOCIATION... A NATIONAL TRADE GROUP FOR THE ARMORED TRANSPORTATION INDUSTRY.

SPEAKING ON BEHALF OF THE NATION'S ARMORED CAR COMPANIES, I WOULD LIKE TO THANK THIS COMMITTEE FOR MOVING HR 624 FORWARD. THIS BILL MAKES IMPORTANT IMPROVEMENTS TO A LAW WHICH HAS PROVEN ITSELF TO BE CRITICAL TO THE ARMORED CAR INDUSTRY AND THE WELFARE OF ITS EMPLOYEES.

THE ARMORED CAR INDUSTRY RECIPROCITY ACT... PUBLIC LAW 103-55... WAS ENACTED IN 1993. THE LEGISLATION WAS SPONSORED IN THE HOUSE BY REPRESENTATIVES CARDISS COLLINS, CLIFF STEARNS, AND MIKE OXLEY.

BRIEFLY, THIS LAW ALLOWS ARMORED CAR CREW MEMBERS TO LAWFULLY CARRY A WEAPON IN ANY STATE, WHILE SAFEGUARDING VALUABLES IN INTERSTATE COMMERCE, PROVIDING THAT THE CREW MEMBER HAS A WEAPONS PERMIT FROM THE STATE IN WHICH HE OR SHE IS PRIMARILY EMPLOYED. THE ACT ALSO REQUIRES THAT THE STATE ISSUING

THE PERMIT MUST REQUIRE TRAINING AND CRIMINAL BACKGROUND CHECKS TO ENSURE THAT THE CREW MEMBER IS NOT A FELON.

THE NEED FOR THIS LAW WAS MADE CLEAR DURING HEARINGS HELD BY THE COMMERCE SUBCOMMITTEE ON MARCH 10, 1993. TESTIMONY REVEALED THAT A TYPICAL ARMORED TRUCK CARRIES ANYWHERE FROM \$100,000 TO \$40 MILLION WORTH OF NEGOTIABLE CARGO IN ONE SHIPMENT. SUCH CARGO MAY INCLUDE CURRENCY SHIPMENTS FROM THE FEDERAL RESERVE BANK IN ONE STATE TO A CORRESPONDING BANK IN ANOTHER STATE. ANOTHER EXAMPLE MIGHT BE A SHIPMENT OF FOOD STAMPS FROM THE PRINTER TO MORE THAN 1800 DISTRIBUTION POINTS THROUGHOUT THE UNITED STATES. FOR THE PROTECTION OF CREW MEMBERS, IT WAS OBVIOUS THAT SUCH SHIPMENTS BE MADE BY ARMED PERSONNEL. FURTHER TESTIMONY REVEALED THAT REGULATION OF PERMITS TO CARRY FIREARMS IS HANDLED AT THE STATE LEVEL, MUCH LIKE DRIVERS' LICENSES. HOWEVER... UNLIKE DRIVERS' LICENSES - STATES DO NOT RECOGNIZE WEAPONS PERMITS ISSUED BY OTHER STATES. THEREFORE, PRIOR TO THE PASSAGE OF PUBLIC LAW NUMBER 103-55, ARMORED CAR CREW MEMBERS ENGAGED IN INTERSTATE COMMERCE WERE REQUIRED TO OBTAIN WEAPONS PERMITS IN EVERY STATE THROUGH WHICH THEY TRAVELED. THIS WAS DIFFICULT TO ACCOMPLISH, GIVEN THE NUMBER OF STATES AND THE NUMBER OF CREW MEMBERS INVOLVED. ALSO, ARMORED CAR COMPANIES RECEIVE LITTLE

ADVANCE NOTICE OF PENDING SHIPMENTS FROM THE FEDERAL RESERVE, U.S. MINT, AND REGIONAL BANKS. CONSEQUENTLY, IT WAS IMPOSSIBLE TO ACQUIRE ALL OF THE NECESSARY STATE PERMITS IN ADVANCE.

AS A RESULT, CREW MEMBERS WERE OFTEN FORCED TO TRAVEL THROUGH STATES FOR WHICH THEY HAD NO WEAPONS PERMIT. IN DOING SO, THEY UNWILLINGLY PLACED THEMSELVES IN VIOLATION OF STATE WEAPONS LAWS AND VULNERABLE TO CRIMINAL CHARGES. PASSAGE OF THE ARMORED CAR INDUSTRY RECIPROCITY ACT ELIMINATED MANY OF THESE PROBLEMS, FOR WHICH WE IN THE ARMORED TRANSPORTATION INDUSTRY ARE VERY GRATEFUL. WE WERE ALSO PLEASED THAT THE ACT INVOLVES NO FEDERAL ACTION OR FEDERAL EXPENDITURE.

UNFORTUNATELY, IN THE TIME SINCE ITS PASSAGE IN 1993, TWO PROBLEMS HAVE ARISEN REGARDING IMPLEMENTATION OF PUBLIC LAW NUMBER 103-55. THESE PROBLEMS ARE CORRECTED IN THIS BILL. THE ISSUES ARE AS FOLLOWS:

THE FIRST PROBLEM INVOLVES STATE REGULATORS WHO OVERSEE THE ARMORED CAR INDUSTRY. IN 1994, THE NATIONAL ASSOCIATION OF SECURITY AND INVESTIGATIVE REGULATORS WROTE TO THE PRIME SPONSORS OF THE RECIPROCITY ACT, POINTING OUT TWO DEFECTS WHICH THEY PERCEIVED IN THE LEGISLATION. IN ADDITION TO WEAPONS LICENSES, SOME STATES ALSO REQUIRE THAT CREW MEMBERS HAVE A "PRIVATE SECURITY

OFFICERS' LICENSE." STATE REGULATORS FEEL THAT IT IS UNCLEAR AS TO WHETHER THIS SECOND REQUIREMENT IS ALSO SUPERSEDED BY THE ACT IN ITS CURRENT FORM. WHILE A READING OF THE ACT MAKES IT CLEAR THAT THE INTENT OF CONGRESS WAS TO ALLOW ARMORED CAR CREWS TO OPERATE FREELY IN THE COURSE OF INTERSTATE COMMERCE, LAWYERS FOR THE STATE AGENCIES WOULD LIKE THIS SPECIFIC ISSUE ADDRESSED WITH ABSOLUTE CLARITY. IN PARTICULAR, THEY WOULD LIKE IT MADE CLEAR THAT SECTION IV OF THE ACT MEANS THAT CREW MEMBERS MAY ACT AS CREW MEMBERS IN ANY STATE, USING ONLY THE WEAPONS LICENSE FROM THEIR HOME STATE. THIS INTENTION IS MADE CLEAR IN SECTION 2, LINES 7 TO 23 OF THE BILL BEFORE US.

THE SECOND PROBLEM WITH THE ACT IS TWOFOLD, AND INVOLVES HOW THE STATE IS REQUIRED TO COLLECT TRAINING AND CRIMINAL BACKGROUND INFORMATION. ALL STATES THAT HAVE A PERMIT SYSTEM REQUIRE THAT TRAINING BE REQUIRED BEFORE THE INITIAL WEAPONS PERMIT IS ISSUED. THIS MEETS THE STANDARDS OF THE ACT. YOU SHOULD NOTE, HOWEVER, THAT NOT ALL STATES HAVE A PERMIT SYSTEM. OF THOSE THAT DO, MOST STATES HAVE GONE TO A 2-YEAR RENEWAL CYCLE FOR REASONS OF ECONOMY AND EFFICIENCY. AS A RESULT, CREW MEMBERS ARE ONLY REQUIRED TO SUBMIT CERTIFICATION THAT THEY HAVE HAD REFRESHER TRAINING ON THE SAME 2-YEAR CYCLE. IN ITS PRESENT FORM, HOWEVER, THE ACT REQUIRES ANNUAL REPORTING. STATE

REGULATORS FEEL THAT THIS ANNUAL REQUIREMENT PLACES AN UNDUE BURDEN ON THE STATES.

HR 624 CORRECTS THIS PROBLEM BY CHANGING THE ANNUAL REPORTING REQUIREMENT. THE BILL WOULD ONLY REQUIRE THAT THE STATE AGENCY SATISFY ITSELF THAT THE CREW MEMBER HAS RECEIVED CONTINUOUS TRAINING IN WEAPONS SAFETY AND MARKSMANSHIP FROM A QUALIFIED INSTRUCTOR. THIS DETERMINATION WOULD BE MADE AT THE TIME THE PERMIT IS RENEWED, BASED ON THE RENEWAL CYCLE OF THAT STATE.

THE SECOND PART OF THE REPORTING PROBLEM CONCERNS BACKGROUND SCREENING. THE ACT REQUIRES THAT THE CREW MEMBER PROVIDE SUCH INFORMATION ON AN ANNUAL BASIS. AGAIN, MOST STATES DO NOT REQUIRE PERMIT HOLDERS TO SUBMIT SUCH INFORMATION. INSTEAD, MOST STATES CONDUCT THEIR OWN ONGOING CRIMINAL RECORD CHECKS, RATHER THAN ASKING PERMIT HOLDERS TO SUBMIT THE INFORMATION. THIS SITUATION IS ALSO CORRECTED BY HR 624.

THE NATIONAL ARMORED CAR ASSOCIATION SUPPORTS ALL OF THESE CHANGES IN THE ACT. WE FEEL THAT THIS LEGISLATION ENABLES THE STATES AND THE ARMORED TRANSPORTATION INDUSTRY TO BETTER ACHIEVE THE ORIGINAL INTENT OF PUBLIC LAW 103-55, AND WE ENCOURAGE THE CONGRESS TO ENACT THESE CHANGES AS SOON AS POSSIBLE. THANK YOU.

The National Armored Car Association receives no grants and has no contracts with the Federal Government for the current year nor has it had any contracts or grants during the preceding two calendar years.